

INFORMATION

AGENDA ITEM: CLSA Interlibrary Loan, Universal Borrowing, Equal Access Programs

GENERAL OVERALL PROGRAM UPDATES:

CURRENT STATUS: CLSA reimbursed loan services continue throughout the state with 176 public libraries and 162 non-public libraries participating. Reimbursement rates for the 2000/01 fiscal year as adopted by the State Department of Finance are:

\$ 3.21 per eligible Interlibrary Loan
\$.63 per net imbalance Direct Loan

These rates are not sufficient to cover the actual handling costs of \$4.14 and \$.77 as developed from the 2000 handling cost survey and adopted by the Board at its April 2000 meeting. However, these are the only rates that state law will allow for this year.

As in the past the 2000/01 State Budget Act contains a provision requiring the pro rata payment of Interlibrary and Direct Loan claims in the eventuality that actual claims exceed the amount appropriated for support of the program. In August of 2000 the State Board considered alternatives for implementing this Budget Act provision and directed its Chief Executive Officer to withhold a portion (10%) of each TBR payment throughout the fiscal year, paying in full all amounts due at the end of the year if sufficient funds remained within the appropriation, and equitably pro rating all remaining amounts due, if the appropriation proved insufficient to cover the full costs.

A progress report on implementing this provision is included in Program Trends, below.

Staff is currently working on the 2000/01 CLSA ILL and Direct Loan cost surveys with the final report and recommendations on current reimbursement rates scheduled for Board consideration at the April 2001 Board meeting in Sacramento.

The Governor's proposed budget for 2001/02, as introduced, includes an augmentation of \$1,251,000 as requested through a Budget Change Proposal submitted in accordance with the Board's action at its August 2000 meeting. The amount proposed is for the increase in transactions and costs based on 1999/2000 workloads and rates adopted by the Board in April 1999. If this augmentation remains in the budget bill, proposed reimbursement rates for 2001/02 will increase as follows:

\$3.82 per eligible Interlibrary Loan
\$.73 per net imbalance Direct Loan

PROGRAM TRENDS: The following table presents actual 1st and 2nd Quarter Direct Loan

and Interlibrary Loan activity and projections for the remainder of the fiscal year. A history of TBR Program Activity from 1979 to the present is included as Exhibit A to this agenda item.

2000/2001 Loan Activity					
	1 st Quarter <u>Actual</u>	2 nd Quarter <u>Actual</u>	3 rd Quarter <u>Projected</u>	4 th Quarter <u>Projected</u>	Revised 2000/2001 Total <u>Projected</u>
ILL Reimbursable Transactions:	263,341	253,202	271,729	271,728	1,060,000
Direct Loans Total:	5,777,044	6,414,415	6,583,400	6,583,141	25,358,000
Direct Loans Net Imbalance:	2,355,115	2,583,801	2,790,500	2,790,500	10,519,916

Based on actual claims thus far, projected totals for the fiscal year have been revised. ILL transactions are now projected at 1,060,000, down 10.7% from the 1999/2000 total, and net imbalance Direct Loans are projected at 10,519,916, up 1% from the 1999/2000 total.

Pro Rata Projection: The chart below displays the cost of a non-prorated reimbursement of the actual activity in the ILL and Direct Loan programs thus far, the amount actually paid to libraries, and the amount withheld.

Status of Payments as of 1/26/01			
	Cost of Non-prorated <u>Reimbursements</u> ¹	Paid to <u>Libraries</u> ²	Amount <u>Withheld</u>
ILL	\$1,658,103	\$1,492,293	\$165,810
Direct Loan	\$3,111,517	\$2,800,365	\$311,152
Total	\$4,769,620	\$4,292,658	\$476,962

¹ At rates approved by the State Department of Finance.
² 10% withheld per August 2000 action of Board.

Based on revised projections of transactions for the 2000/01 fiscal year and the

reimbursement rates, as approved by the State Department of Finance, the non-prorated cost of the CLSA loan program is estimated to be:

ILL	\$3,402,600
Direct Loan	<u>\$6,627,547</u>
Total	\$10,030,147

The 2000/01 CLSA ILL and Direct Loan appropriation is \$10,894,000, which is sufficient to pay all valid claims for reimbursement if actual transactions occur at the levels currently projected.

RELATED ISSUES TO COME BEFORE THE BOARD IN THE FUTURE:

1. Results of the 2000 ILL and Direct Loan Cost Studies (April).
2. Update on actual and estimated transaction levels.

Relevant Committee: Access Services
Staff Liaison: Sandy Habbestad